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BAuto to raise RM58m via IPO

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KUALA LUMPUR: Berjaya Auto Bhd (BAuto), a unit of Berjaya Corp Bhd (BCorp), plans to raise RM57.9 million via its IPO exercise by offering 82.8 million new shares or 10.31% of its enlarged issued and paid-up capital at an issue price of 70 sen each.

Of the proceeds, RM25.6 million will be used for BAuto's working capital, RM15 million for investment in the local assembly operations of Mazda, RM7.5 million for its finance capital expenditure and RM9.8 million for repayment of bank borrowings and expenses for the IPO.

In an announcement to Bursa Malaysia, Maybank Investment Bank Bhd on behalf of BAuto, said the Ministry of International Trade and Industry (Miti) had agreed on the listing. It added that Miti had approved the allocation of 10.16

million shares to bumiputera investors and recognise BAuto's existing bumiputera shareholders.

BAuto, which holds the local franchise for Mazda vehicles through its wholly owned unit Bermaz Motor Sdn Bhd, said in its prospectus the IPO would provide the company with direct access to the equity capital market for greater capital management flexibility.

"Our aim is to further strengthen our competitive position in the automotive segment, increase shareholders' value and increase our market share in the segment that we compete in," it said.

BAuto said it intends to expand the range of Mazda vehicles, widen the distribution network and dealership, and launch new Mazda models in the Malaysian and Philippine markets.

Post-listing, BAuto's major shareholder will still be BCorp with a 75.40% stake.

VALERIE CHIN



BAuto holds the local franchise for Mazda vehicles.